

ATTORNEY GENERAL
2012 BALLOT EXPLANATION
CONSTITUTIONAL AMENDMENT M

Title: An Amendment to the South Dakota Constitution regarding certain provisions relating to corporations.

Explanation:

The Constitution currently contains certain restrictions on the Legislature's authority to enact laws regarding corporations. For example, corporate directors must be elected by cumulative voting, in which a shareholder may choose to cast all votes for a single candidate or spread the votes among two or more candidates. Corporate stock or bonds may only be issued for money, labor or property received by the corporation. Corporate stock or debt may not be increased without prior notice to and consent of current stockholders.

Constitutional Amendment M removes these restrictions, and allows the Legislature to: (1) authorize alternative methods of voting in elections for corporate directors; (2) expand the types of contributions a corporation may receive for the issuance of stock or bonds; and (3) establish procedures governing the increase of corporate stock or debt.

A vote "Yes" will remove the constitutional restrictions.

A vote "No" will leave the Constitution as it is.